



Downtown Center Business Improvement District

BOARD OF DIRECTORS MEETING MINUTES November 2, 2011

Board of Directors

Eric Bender, Barbara Bundy, Robert Cushman, Sauli Danpour, Kathy Faulk, Jeffrey Griswold (on behalf of David Damus), Robert Hanasab, Steve Hathaway, Peggy Moretti (via conference call), Anne Peaks (via conference call), Paul Rutter, Carol E. Schatz, Patrick Spillane, Daniel B. Swartz (via conference call), Cindy Troesh, Cari Wolk (via conference call), *Peter Zen*

Absent

Joseph Flueckiger, Frank Frallicciardi, Sandy Nam, Peklar Pilavjian, Colin Shepherd, Susann Ventzke

Staff

Hal Bastian, Jeff Chodorow, Gennia Cui, Randall Ely, Rachel Forman, Jacob Holloway, Aleeza Miller, Ken Nakano

CALL TO ORDER

Spillane called the meeting to order at 8:05 a.m. with a quorum.

PROPERTY OWNER/PUBLIC COMMENT PERIOD ON AGENDA ITEMS

Spillane opened the meeting to the public for comments, in which there were none.

APPROVAL OF MINUTES

Sauli Danpour requested a correction of the minutes from the Board meeting on October 5, 2011, to read "CCA does not support a franchise system that will decrease competition and increase costs." Kathy Faulk made a motion to accept the October 5, 2011 minutes, as amended. Danpour seconded the motion. The motion was then approved by the Board.

PRESIDENT'S REPORT

Carol Schatz introduced Anna Wilder, the new administrative assistant for the DCBID's Economic Development and Marketing departments.

The DCBID welcomes the new LAPD Captain of Central Division, Horace Frank. His first day is November 10, 2011, when he will be meeting with Schatz and some of the top property owners.

Schatz had been in frequent communication with Captain Todd Chamberlain express concerns regarding an uptick in the street population. Schatz and Tom Gilmore also met with Chief Charlie Beck to discuss the issue. She continues to pass along anecdotal information to the LAPD. The presence of very aggressive and violent homeless and mentally ill people is at a level Schatz hasn't seen in several years. After very strong concerns about Occupy LA, Schatz met with Chief Jose Perez to talk about the targeting of buildings with banks in their lobbies. Schatz also requested the amplification of the DCBID's safety patrols along 7th Street after several incidents in the area. Occupy LA does not have permits, but will have three more protests today for solidarity with Occupy Oakland. Occupy LA just applied for a permit for a demonstration on Saturday, which they are calling "Change Your Bank Day." The purpose of the demonstration is to get people to close their accounts at the big banks. A question was asked regarding the role of MTA with the homeless people at the Metro stations. The Metro stations are policed by the Sheriff's Department. Ken Nakano is in communication with the new senior lead officer for the MTA Sheriffs. He will bring anecdotal incidents to the officer to give examples of the issues that are occurring. Schatz emphasized that this issue is the DCBID's top priority until the problem is mitigated. More aggressive action will have to be taken, especially since this has such a great impact on tenancy.

CCA's Holiday Party is on Tuesday, December 6, 2011, at the Wilshire Grand.

CCA held a meeting with property owners and Dennis Allen on October 18. The largest property owners are still reluctant to pay the largest portion of the assessment when the greatest benefits of the project are to the property owners on Broadway. Tim Leiweke is supportive of the property owners' concerns and will not force the project to progress. He is prepared to go to Councilmember Jose Huizar to report that the largest property owners believe that the route should be in the central business district, not on Broadway. Before doing so, Leiweke wants to know if the property owners in the western part of the district would be open to a different assessment structure. The deadlines for applications for federal funding are coming up quickly, but there is no plan to hold an additional meeting.

The Halloween party on Monday night was very successful, and Schatz encouraged the Board members to attend the next event. Almost 1,000 people attended.

Schatz asked the Board members to let her know if they have any interest in serving on or chairing a committee, serving as an officer of the Board, or if they can no longer commit the time to serving on the Board. She also requested recommendations for nominations to the Board. Spillane reminded the Board members that the bylaws allow for alternates to serve as well.

The 2012 Board meeting dates are January 11, March 7, May 2, July 11, September 5, and November 7.

FINANCE COMMITTEE REPORT

Faulk reported:

The August 31, 2011 financial statements indicated a budget shortfall of \$11,000, compared with the forecasted budget, which is primarily due to the timing of reimbursement. Workers compensation also trued up, and the Public Safety BBQ expenses were incurred during this time, although the event is at a later date. A question was raised about why the DCBID Renewal line item is substantially lower than forecasted, and Faulk confirmed that this is also due to timing.

Patrick Spillane made a motion to accept the August 31, 2011 financial statements as presented. Paul Rutter seconded the motion. The Board then voted to approve the motion.

The September 30, 2011 financial statements have larger variances. There is a favorable variance of \$182,000. The reforecasted budget is based on the anticipated revenue of \$5.5 million, but as the year went on, the actual revenue was determined to be \$5.575 million, in part due to delinquent payments that were collected. The Marketing variance of \$71,890 is due to the decision not to print additional Downtown Guides. The BID ACTION variance has a negative variance that will continue. Based on comments made by the Board members, a decision was made to double the BID ACTION staff. However, the expense was not reflected in the budget reforecast.

Sauli Danpour made a motion to accept the September 30, 2011 financial statements as presented. Barbara Bundy seconded the motion. The Board then voted to approve the motion.

ECONOMIC DEVELOPMENT REPORT

Bastian reported:

Last week the Urban Land Institute held their Fall Conference. Bastian gave three tours and spoke on a panel, and Schatz also spoke on a panel. Bastian also received positive feedback from tour participants who attended five years ago.

The 9th Annual Fall Tour will be on November 15 and is fully subscribed. The purpose of the tour is to build confidence in the Downtown market. The participants include commercial, retail and residential real estate brokers, developers and investors, retailers and restaurateurs, and commercial and investment bankers. The event includes a morning panel, followed a tour of various properties.

Panelists and their topics include:

- Tom Ricci, Thomas Properties Group – Wilshire Grand Project
- Mark Tarczynski, Colliers – Residential & Investment Sales Market
- Ted Tanner, AEG – Farmers Field
- Bill Witte, Related – Proposed apartment building, Broad Museum & Civic Park
- John Zanetos, CB Richard Ellis – Office Market

Tour destinations include 550 South Hope, Spring Arts Tower, Perch, 940 E. 2nd Street, Orsini II, and 7th Street.

The DCBID has had the privilege of helping Brookfield Office Properties with pitches for prospective FIG@7th tenants.

Hoteliers activity has been increasing.

Art Walk is evolving.

OPERATIONS REPORT

Nakano reported:

The Safety officers are being concentrated along the 7th Street corridor and near Ralphs. The Safety officers are running footbeats on 7th Street until midnight, and are also concentrating on the area around 7-11. However, the challenge with the foot patrol near 7-11 is that there is a bus stop in front. People are using the bus stop as an excuse to loiter. After several comments about the issues around 7-11, Bastian will be speaking with the owners of the building and of 7-11 to block the ledge at the front.

The T-3s have been received and training to operate the equipment begins today.

Another area that has required additional attention is at 4th and Hill Streets. There have been issues on Sunday evening through Monday morning. LAPD's Vice will look into the issue as well.

The Safety team has been busy with Occupy LA. Rumors indicate that for Saturday's planned protest, small groups are planning to break off and go into bank branches. The protest will gather at 5th & Hill Streets at 9:00am, go west on 5th Street, north on Grand Avenue, west on Hope Place, north on Hope Street, east on 4th Street to Broadway, north on Broadway, east on 1st Street, north on Spring Street, ending at Spring and Temple. Schatz requested additional evidence of unlawful behavior and documentation of increased costs for businesses, including increased security costs.

The use of water brooms has been implemented.

Schatz requested adding officers to have footbeats in high-traffic areas. Schatz asked for Board support of an upcoming Operations Committee decision about increasing Safety staffing. The vote will be done by email, after the next Operations Committee meeting.

Holiday deployment begins the day after Thanksgiving.

MARKETING REPORT

Forman reported:

The Holiday Campaign "Holiday Favorites in Downtown LA...Share the Experience" begins November 21. The landing page will feature the top twelve things to do in Downtown over the holidays. The landing page will be promoted in a variety of ways, including a partnership with Clear Channel, advertisements in Downtown News and LA Parenting, promotion on Google, and 15,000 postcards, which will be distributed by Clear Channel's eight radio stations throughout the city. There will also be a Facebook promotion to obtain additional testimonials about Downtown. The Facebook promotion contestants will enter their favorite experiences in Downtown, and the winner will receive a hotel package.

The DCBID Renewal video has been produced and was shown to the meeting attendees. Marketing will add updated statistics at the end of the video.

The Downtown Guides worked the Rock-n-Roll Half Marathon and the DCBID's 4th Annual Halloween Party.

The distribution area of the Downtown Guides has been expanded.

Metro is launching its "More Trains, More Often" campaign with a press conference on November 8. Trains will run every ten minutes from 6:00pm until midnight on its Red, Purple and Blue lines from November 13 through May. If all goes well, Metro will consider expanding the service until 2:00am.

DCBID RENEWAL

Ely reported:

After a conversation with the consultant the previous day, there is still no definitive timeline. Ely anticipates meeting with the city in the next two weeks, and the DCBID is ready to proceed as soon as the Management Plan is returned.

OLD BUSINESS

No old business was brought up.

NEW BUSINESS

No new business was brought up.

ADJOURNMENT

The next meeting is scheduled for Wednesday, January 11, 2012, at 8:00 a.m. The meeting was adjourned at 9:19 a.m.